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NEWS RELEASE

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St. George Man Accused of Promoting Fraudulent Mining Scheme

Investors were promised they would double their money, with no risk ...

SALT LAKE CITY, Utah – An order to show cause was issued today against Agra-Technologies, Inc., of Flagstaff, Arizona, William Jay Pierson, its president, and Jerry Johnston Hodges, of St. George. Hodges is a sales agent for Agra-Tech. The three are accused of taking \$60,000 from two investors between August 2005 and March 2006 for a mining scheme.

According to the order to show cause, the investors were sold units of “mineral aggregate.” Each unit equaled 50 tons of mineral aggregate and sold for \$10,000. In return, investors were told they would receive 100% of the first \$50,000 of precious metals recovered, 20% of the next \$100,000, and 10% of the remainder of profits for two years – equal to at least an average of 350% return per year. Investors had no role in the mining operations; they only provided investment funds.

The Division alleges that when Hodges solicited investors, he told one of them it was a “sure thing,” it had a very high probability of success, and the investor could expect to double her investment in six months to a year. The investors received an “Ore Rights and Mining Agreement” from the company, which was signed by Pierson. Some of the money from one of the investors came from a retirement account.

The order to show cause alleges that Hodges, Pierson, and Agra-Tech engaged in securities fraud by making false statements to investors and omitting to disclose essential information about the company. The allegedly false statements included saying the investment was a sure thing, the only way to lose money was if the mine was bombed or destroyed, and that the investors would own ore that was mined. Investors were not told that Hodges would take 25% of the investment as a commission, the securities were not registered, and Hodges was not licensed to sell securities, nor were they provided sufficient information about Agra-Tech’s business to enable the investors to make informed decisions. The three are also accused of selling securities without being licensed.

The order to show cause seeks to impose a fine of \$75,000 against each of the entities named. A hearing will be held November 19 to determine whether Agra-Tech, Pierson, and Hodges dispute the allegations against them.

Investors are urged to contact the Division to make sure anyone offering investments is licensed. 801.530.6600, or toll free at 1.800.721.7233. www.securities.utah.gov.